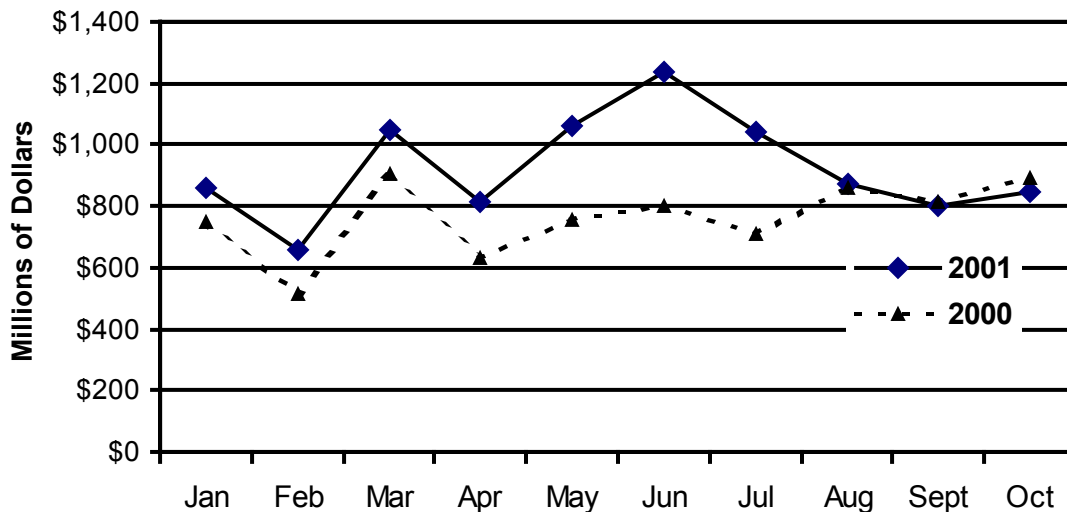


October 2001 Highlights

Although the nation's first recession of the new millennium began in March 2001, New Jersey's construction industry has maintained a strong pace. The estimated cost of construction authorized by building permits in October was \$843.6 million; 519 municipalities reported. A strong housing market was behind this good showing. Residential construction totaled \$484.7 million, 57.5 percent of all work authorized by building permits. A total of 3,014 new houses were authorized for construction in October. For the entire year thus far, this month's production was second only to June's. Office, retail, and other nonresidential work amounted to \$358.9 million in October, or 42.5 percent of all work.

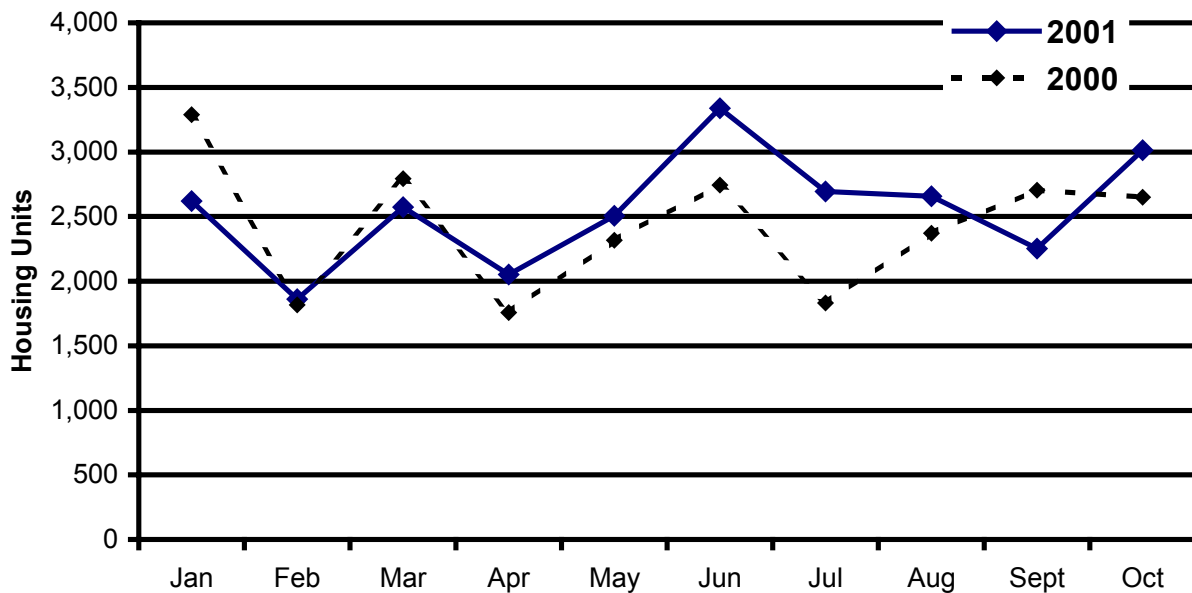
Compared to the first ten months of 2000, the level of activity reported this year was considerably higher; although it has started to slow, as evidenced by the chart below. Between January and October 2001, the estimated cost of work authorized

Estimated Cost of Construction



by building permits totaled \$10.2 billion. This was \$1.4 billion more than the \$8.9 billion this time last year, an increase of 13.5 percent. Housing construction has kept about the same pace as last year with 28,575 new units authorized between January and October 2001 versus 28,789 new units for the same period last year. This year, localities have done a better job to submit their monthly reports on time. So, it is unlikely that when all reports for 2001 are finally submitted, the number of new houses will exceed last year's total of 38,065 authorized dwellings.

Housing Units Authorized for Construction



Top Municipalities

If there is one remarkable story for the year, it is Jersey City in Hudson County. Each month, the *Construction Reporter* ranks municipalities with the most work. New Jersey's second largest city topped the list six of ten times. This standing is unprecedented. Jersey City tops all municipalities with the most work in October with \$24.3 million of work authorized, bringing the yearly total to \$855.5 million. This again is unprecedented. The municipality with the second highest year-to-date total is the City of Newark in Essex County with \$181.8 million. Office and new housing construction accounts for much of the new development in Jersey City. The City has 4,111,027 square feet of new office space since January; this is 25 percent of all the new office space in the State. Jersey City also has issued building permits for 1,960 new houses, accounting for nearly 7 percent of all new dwellings under construction.

Other localities with big projects in October were the City of Elizabeth in Union County (\$22.9 million), the Town of Hammonton in Atlantic County (\$19.7 million), Stafford Township in Ocean County (\$15.9 million), Newark (\$15.5 million), and Rutherford Borough in Bergen County (\$15.3 million). Hotel construction accounted for more than two-thirds of the work in Elizabeth. A new public school with an estimated construction cost of \$18.8 million accounted for nearly all of the work in Hammonton. Stafford reported an \$11-million addition to a hospital. Much of the work in Newark was for housing. The City issued building permits for 123 new dwellings in October, ranking fourth among localities. The big project in Rutherford was a mixed-use complex that will have office and retail uses, as well as 25 apartments.